

CURRENCY EXCHANGE – BRIDGING THE PROPERTY SALES GAP IN TESTING ECONOMIC TIMES.

Premier FX was recently approached by an Algarve based real estate agent who was desperately trying to agree the sale of a property for a British client. The vendor had to sell their house and return to the UK after many happy years to spend more time with their children's growing families. The purchasers were looking for a holiday home, the agent had brought them together and the house was just what they had been looking for.

Unfortunately, both parties had been unable to agree on a final price as the vendor had lowered the selling price to their limit and the purchaser was at the top of their perceived budget. Premier FX was asked if there was anything that could be done to help close the gap. A member of the Premier FX account management team met with all the parties to fully understand the problem and to seek a solution.

The buyers, coming from the UK, had a maximum budget based on Pounds Sterling and had obtained an exchange rate to Euros from their family bank. This therefore gave them the Euro equivalent maximum price they had offered. Premier FX were able to offer a much more competitive rate based on utilizing a forward contract (a simple agreement to buy currency at a better rate at a time in the future) with the result that the buyer was able to increase his offer by many thousands of Euros. The vendors, of course, had the opposite problem. They had a target figure in Pounds, being the minimum they would need to purchase a property upon their return to the UK. Once again, they had been given an exchange rate from their local bank manager, which formed the basis of their lowest acceptable selling price in Euros. By again proposing a forward contract to purchase Pounds for up to two years, Premier FX was able to demonstrate an improved position and the vendors could reduce their price by many more thousands of Euros.

The gap was now a fraction of the problem that had existed before the meeting and, to eliminate the issue altogether, Premier FX successfully negotiated the reduction of the estate agent's commission by a percentage point. All the parties were able to happily shake hands and the transaction was at last able to proceed to contract.

Premier FX does not charge for their advice in such situations and is extremely happy to work with all parties facing similar dilemmas. Furthermore, there are no fees or commissions resulting from any currency transactions resulting in a safe, simple and predictable experience.